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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000539

SIPDIS

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TAGS: [PREL](#) [ETRD](#) [ECON](#) [CVIS](#) [TW](#)
SUBJECT: MOFA ISSUE-BY-ISSUE REVIEW OF BILATERAL TIES

Classified By: AIT Director Stephen M. Young,
Reasons 1.4(b/d)

Summary

¶1. (C) MOFA North American Affairs Division Deputy Director General Michael Hsu covered the range of bilateral issues during an April 30 meeting with visiting EAP/TC Deputy Director Deena Parker. MOFA wants to improve the security of Taiwan's passport, Hsu said, but worries that the new procedures will be unpopular and will raise expectations that Taiwan will be granted U.S. visa waiver status. Taiwan is ready to engage on an extradition agreement, Hsu said, and asked about the status and timetable of U.S. deliberations. Taiwan understands a U.S.-Taiwan FTA is not likely in the short run, but wants to reenergize the TIFA and other aspects of our commercial relationship. Hsu predicted progress on opening the market to U.S. (and Canadian) beef "in a few weeks." Taiwan hopes U.S. cabinet-level visits will resume. MOFA is waiting for the U.S. response to the proposal to hold MOFA-led pol/mil talks. End Summary.

¶2. (C) MOFA Deputy Director for North American Affairs Michael Hsu met with visiting EAP/TC Deputy Director Deena Parker April 30 in a cordial and wide-ranging review of the U.S.-Taiwan relationship. Hsu began the meeting by thanking the United States for its help over the past years in pushing to expand Taiwan's access to the WHO and other international organizations. In that vein, Taiwan appreciated the State Department spokesman's April 29 statement welcoming the announcement that Taiwan will participate in the May 18-27 WHA session as an observer.

¶3. (C) Turning to what he called the "low politics" of the relationship, Hsu then went through a lengthy list of issues between the United States and Taiwan, with the issues identified by President Ma - extradition, a free trade agreement, and visa waiver - at the very top. This cable covers the most significant issues discussed.

Trade: Progress on Beef "in Weeks"

¶4. (C) President Ma understands that the timing may not be right to discuss a U.S.-Taiwan free trade agreement, Hsu said, but Taiwan hopes that the bilateral commercial, investment and economic relationship can be reinvigorated. Specifically, he said, Taiwan would like to resume the TIFA and the discussions of specific agreements under that framework. Market access for U.S. beef has been a stumbling block, he admitted, but said he expected to see progress toward an opening "in a few weeks." Hsu noted that Taiwan would move to open the market to Canadian beef products at the same time. Parker thanked Hsu for the encouraging news and agreed that resolving concerns about access by U.S. agricultural products would be important for the overall

trade and investment relationship.

Tighter Passport Rules will Raise VWP Expectations

15. (C) MOFA realizes that there are legitimate security concerns about how Taiwan issues passports, particularly to children between the ages of 8 and 14, Hsu said, and understands that this could pose an obstacle to Taiwan's admission to the visa waiver program. The Ministry is looking at fixes, but is concerned that implementing what will be unpopular new regulations will raise public expectations that Taiwan will be admitted in the program in short order. Will fixing its passport system, he asked, put Taiwan on track to visa waiver?

16. (C) Parker clarified that U.S. concerns about the security of Taiwan travel documents extend beyond just the procedures for issuing to children. Currently, she said, no one is required to appear personally to apply for a Taiwan passport. That said, she emphasized that fixing this glaring problem was only one of a number of considerations that would go into a possible future consideration of Taiwan's candidacy. At this point, she emphasized, the United States is focused on integrating those countries in the pipeline for visa waiver and not on adding new aspirants to the list.

Extradition

17. (C) Hsu asked about the status and timing of U.S. internal deliberations on a possible U.S.-Taiwan extradition agreement. State is working with other agencies to assess

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the legal and other implications of pursuing an agreement, Parker said, but underscored that it is difficult to predict how long this review will take or what its outcome will be.

Resuming Cabinet-level Visits

18. (C) In the past, Hsu noted, U.S. cabinet-level officials regularly visited Taiwan in connection with a U.S.-Taiwan Business Council-sponsored conference held in Taipei every two years. For reasons that had nothing to do with policy (i.e., the Business Council stopped holding the conferences), the last of these visits took place in 2000. Taiwan hopes that an appropriate venue can be found to resume these very useful exchanges.

Pol/Mil Dialogue

19. (C) Hsu asked about the status of Taiwan's proposal to hold MOFA-led pol/mil talks in Washington later this year. While the original idea was to hold the meeting in May, MOFA understands that this timing poses problems for the United States. Washington is still reviewing this idea, Parker said, suggesting that, if approved, mid- to late-summer would likely be the earliest such a meeting could take place.

110. (C) This cable has been cleared by EAP/TC Deputy Director Parker.
YOUNG